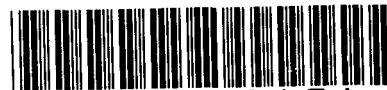


ORIGINAL



0000138474

Steve Wene, No. 019630
MOYES SELLERS & HENDRICKS LTD.
1850 N. Central Avenue, Suite 1100
Phoenix, Arizona 85004
(602)-604-2189
swene@law-msh.com
Attorneys for Valle Verde Water Company

RECEIVED

2012 AUG -2 P 4: 04

ARIZONA CORPORATION COMMISSION
DOCKET CONTROL

BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

GARY PIERCE, CHAIRMAN
PAUL NEWMAN
SANDRA D. KENNEDY
BOB STUMP
BRENDA BURNS

**IN THE MATTER OF THE APPLICATION
OF THE ESTATE OF WILLIAM F.
RANDALL D/B/A VALLE VERDE WATER
COMPANY FOR AN INCREASE IN ITS
WATER RATES;**

and

**IN THE MATTER OF THE APPLICATION
OF THE ESTATE OF WILLIAM F.
RANDALL D/B/A VALLE VERDE WATER
COMPANY FOR AUTHORITY TO INCUR
LONG-TERM DEBT.**

Docket No. W-01431A-09-0360
W-01431A-09-0361

**FILING OF DATA IN SUPPORT
OF APPLICATION TO AMEND
DECISION NO. 71899**

Arizona Corporation Commission

DOCKETED

AUG 02 2012

DOCKETED BY

LM

Pursuant to the request of the Arizona Corporation Commission ("Commission"),
Valle Verde Water Company ("Company") hereby files data in support of its Application
to Amend Decision No. 71899, proposing that the Company continue to collect the
temporary surcharge and apply the revenues gained to pay the debt owed to the Interim
Manager, Southwestern Utility Management, Inc. The following data is attached:

- 1 • Adjusted 2011 Annual Report Income Statement for 2012 Projection
2 (Attachment 1);
- 3 • Profit and Loss Statement from January through June 2012 (Attachment 2);
- 4 • Adjusted 2011 Annual Report (Attachment 3); and
- 5 • Interim Manager invoices still outstanding (Attachment 4).

6
7 The Company had several of these documents prepared by a Certified Public Accountant
8 ("CPA") familiar with regulatory accounting to address Staff's request that the analysis
9 consider a one-year period so both the high and low water demand seasons are evaluated
10 as well as the first six months of 2012. For the convenience of the Commission, a brief
11 explanation and analysis is set forth below.

12
13
14 **1. Financial Analysis of 2011 Demonstrates the Need for the Surcharge.**

15 Last year, excluding the surcharge, the Company's total revenues were \$506,053.
16 The Company's adjusted operating expenses were \$489,233. Thus, the Company's
17 operating income for 2011 was \$16,820. *See* Attachment 1.

18
19 Keep in mind, however, that the Company's WIFA loan payments of \$112,812
20 annually did not start until January 1, 2012. Accordingly, if 2012 is similar to 2011
21 except loan payments are now due, a cash flow deficit of \$18,878 is projected. *See*
22 Attachment 1.

23
24 Another reason the Company needs the surcharge to pay the Interim Manager is
25 that the Company's revenues have fallen far short of Staff's projected revenues. In the
26 rate case, Staff took the position that Company revenues without the surcharge would be
27 \$561,730. *See* Decision No. 71899, at p. 8, ¶ 24. The Commission adopted Staff's
28

1 position. *Id.* But in 2011, Company revenues excluding the surcharge were only
2 \$506,053. Put another way, the Company's revenues fell short of Staff's projections by
3 \$55,677. *See* Attachment 1.
4

5 **2. Financial Analysis of 2012 to Date Also Illustrates the Need for the**
6 **Surcharge.**

7 From January to June, Company revenues totaled \$284,307. *See* Attachment 2.
8 These revenues include \$32,501 from the surcharge (\$23,570) and a WIFA technical
9 assistance grant (\$8,931). If you subtract these two revenue items, which the Company
10 passed along to the City of Nogales and the engineer who performed the grant work, then
11 the Company's revenues have totaled \$251,806. Meanwhile, the Company has paid
12 \$198,815 in operating expenses.¹ The Company has also paid WIFA \$56,406. Thus,
13 subtracting these payments, after six months of operations, Company has \$480 of left
14 over cash.
15
16

17 **3. The Company Adjusted the 2011 Annual Report.**
18

19 Based upon Staff's inquiries, the Company reviewed the 2011 Annual Report
20 prepared by Holm & Valenzuela CPAs PC, which has historically filed the Company's
21 tax returns. Until recently the Company was unaware that the accountant who was
22 familiar with both tax and regulatory accounting at the firm retired, and his replacement
23 has little experience with regulatory accounting. Therefore, the Company requested a
24 CPA familiar with regulatory accounting to conduct a review of the annual report.
25
26
27

28 ¹ Note that Miscellaneous Expense of \$4,864 includes \$3,895 of WIFA fees, which are "added back" in the Attachment 3 calculation so this payment is not counted twice.

1 During this review, certain discrepancies were noted and corrected. Consequently, the
2 2011 Annual Report was revised. A copy is set forth in Attachment 3.
3

4 **4. The Company owes the Interim Manager \$78,840.**

5 The Company has attached the outstanding unpaid invoices. See Attachment 4.
6 To be clear, the Interim Manager pays the oldest outstanding invoice as funds are
7 available, which is why the unpaid invoices are from the 2011 and 2012 billing periods.
8 Currently, the Company owes the Interim Manager \$78,840. A Southwestern Utility
9 representative will be available at the meeting to verify these documents and the then-
10 current amount owed.
11
12

13 For the reasons explained above, the Company believes that without the surcharge,
14 it will be unable to pay the balance owed to the Interim Manager in a reasonable time.
15

16 DATED this 2nd day of August, 2012.

17 **MOYES SELLERS & HENDRICKS LTD.**

18 
19 _____
20 Steve Wene

21 Original and 13 copies filed this
22 2nd day of August, 2012, with:

23 Docket Control
24 Arizona Corporation Commission
25 1200 West Washington Street
26 Phoenix, Arizona 85007

27 
28 _____

ATTACHMENT 1

Valle Verde Water Company
Adjusted 2011 Annual Report Income Statement for 2012 Projection

Acct No	OPERATING REVENUES	2011	Adjustments	2011 Adjusted
461	Metered Water Revenue	\$ 489,676		\$ 489,676
462	Surcharge Revenue	55,534	(55,534)	-
474	Other Water Revenues	16,377		16,377
	TOTAL REVENUES	\$ 561,587	\$ (55,534)	\$ 506,053
	OPERATING EXPENSES			
601	Salaries and Wages	\$ 92,507		\$ 92,507
610	Purchased Water	3,625		3,625
615	Purchased Power	55,530		55,530
618	Chemicals	2,926		2,926
620	Repairs and Maintenance	29,523		29,523
621	Office Supplies & Expense	22,270		22,270
630	Outside Services	123,194		123,194
635	Water Testing	12,189		12,189
641	Rents	-		-
650	Transportation Expenses	3,520		3,520
657	Insurance - General Liability	16,395		16,395
659	Insurance - Health and Life	-		-
665	Regulatory Expenses	-		-
675	Miscellaneous Expense	42,237	(38,131)	4,106
403	Depreciation Expense	99,471		99,471
408	Taxes Other Than Income	8,548		8,548
408.11	Property Taxes	14,942		14,942
427.4	Customer Security Deposit Interest	487		487
	TOTAL OPERATING EXPENSES	\$ 527,364	\$ (38,131)	\$ 489,233
	OPERATING INCOME/(LOSS)	\$ 34,223	\$ (17,403)	\$ 16,820
	Less: 2011 AIAC Repayments			(22,357)
	Add: 2011 Depreciation expense			99,471
	Estimated Cash flow available			\$ 93,934
	2012 WIFA payments			(112,812)
	Cash flow deficit projected for 2012			\$ (18,878)

Note: The surcharge for the City of Nogales must be eliminated as it has ceased, and Miscellaneous Expense is reduced for a large amount of receivables written off that spanned many years.

Further issues that made Valle Verde unable to pay Southwestern's past AP:

Revenue Requirement authorized in Decision 71899	\$ 561,730
2011 Revenue without City of Nogales Surcharge	506,053
2011 Revenue Shortage	\$ (55,677)

ATTACHMENT 2

Valle Verde Water Company
January to June 2012 Unadjusted Net Results of Operations

Acct	Description	Jan to June
	Revenues	
461	Metered Water Revenue	\$ 244,216
462	Surcharge Revenue	23,570
474.1	Other Water Revenues	7,590
474.2	Grants	8,931
	Total	\$ 284,307
	Operating Expenses	
601	Salaries and Wages	\$ 45,701
610	Purchased Water	-
615	Purchased Power	17,161
618	Chemicals	287
620	Repairs and Maintenance	15,380
621	Office Supplies & Expense	11,768
630	Outside Services	77,185
635	Water Testing	5,749
641	Rents	-
650	Transportation Expenses	253
657	Insurance - General Liability	6,830
659	Insurance - Health and Life	-
665	Regulatory Expenses	-
675	Miscellaneous Expense*	4,864
408	Taxes Other Than Income	5,075
408.11	Property Taxes	8,420
427.4	Customer Security Deposit Interest	143
	Total	\$ 198,815
	Difference	\$ 85,492
	Remove Surcharge revenue (designated)	(23,570)
	Remove Grant Income (designated)	(8,931)
	Add back WIFA Fees	3,895
	WIFA payments - 6 months	(56,406)
	Left over "cash"	\$ 480

* Includes WIFA Fees of \$3,895

ATTACHMENT 3

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

W-01431A
Valle Verde Water Company
C/o Southwestern Utility Management, LLC
P.O. Box 85160
Tucson, AZ 85754

ANNUAL REPORT
Water

FOR YEAR ENDING

12	31	2011
-----------	-----------	-------------

FOR COMMISSION USE

ANN 04	11
---------------	-----------

COMPANY INFORMATION

Company Name (Business Name) <u>Valle Verde Water Company</u> -			
Mailing Address <u>P.O. Box 85160</u> -			
<u>Tucson</u> (City)	<u>AZ</u> (State)	<u>85754</u> (Zip)	-
<u>520-623-5172</u> Telephone No. (Include Area Code)	<u>520-792-0377</u> Fax No. (Include Area Code)	<u>-</u> Cell No. (Include Area Code)	
Email Address _____			
Local Office Mailing Address <u>P.O. Box 85160</u> -			
<u>Tucson</u> (City)	<u>AZ</u> (State)	<u>85754</u> (Zip)	-
<u>520-623-5172</u> Local Office Telephone No. (Include Area Code)	<u>520-792-0377</u> Fax No. (Include Area Code)	<u>-</u> Cell No. (Include Area Code)	
Email Address _____			

MANAGEMENT INFORMATION

<input type="checkbox"/> Regulatory Contact:			
<input type="checkbox"/> Management Contact: <u>Southwestern Utility Management, Inc.</u> <u>Manager</u>			
<u>2015 N. Forbes Blvd</u> (Street)		<u>Tucson</u> (City)	<u>AZ</u> (State)
<u>85745</u> (Zip)		<u>-</u>	
<u>520-623-5172</u> Telephone No. (Include Area Code)	<u>520-792-0377</u> Fax No. (Include Area Code)	<u>-</u> Cell No. (Include Area Code)	
Email Address _____			
On Site Manager: <u>Vicente Silva</u> -			
<u>627 Frontage Road</u> (Street)		<u>Nogales</u> (City)	<u>AZ</u> (State)
<u>85621</u> (Zip)		<u>-</u>	
<u>520-300-1234</u> Telephone No. (Include Area Code)	<u>-</u> Fax No. (Include Area Code)	<u>-</u> Cell No. (Include Area Code)	
Email Address _____			

Statutory Agent: Catalina Randall -

(Name)

12769 W. Daffodil Place
(Street)

Tucson
(City)

AZ
(State)

85745
(Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Attorney: Same as above

(Name)

(Street)

(City)

(State)

(Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Email Address _____

OWNERSHIP INFORMATION

Check the following box that applies to your company:

☐ **Sole Proprietor (S)**

☐ **C Corporation (C) (Other than Association/Co-op)**

☐ **Partnership (P)**

☐ **Subchapter S Corporation (Z)**

☐ **Bankruptcy (B)**

☐ **Association/Co-op (A)**

☐ **Receivership (R)**

☐ **Limited Liability Company**

☒ **Other (Describe) Estate** _____

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

☐ **APACHE**

☐ **COCHISE**

☐ **COCONINO**

☐ **GILA**

☐ **GRAHAM**

☐ **GREENLEE**

☐ **LA PAZ**

☐ **MARICOPA**

☐ **MOHAVE**

☐ **NAVAJO**

☐ **PIMA**

☐ **PINAL**

☒ **SANTA CRUZ**

☐ **YAVAPAI**

☐ **YUMA**

☐ **STATEWIDE**

Company Name: Valle Verde Water Company

UTILITY PLANT IN SERVICE

Acct. No.	Description	Original Cost (OC)	Accumulated Depreciation (AD)	OCLD (OC less AD)
301	Organization	\$ -	\$ -	\$ -
302	Franchises	125	125	-
303	Land & Land Rights	86,093	-	86,093
304	Structures & Improvements	506,514	356,093	150,421
307	Wells & Springs	1,025,548	197,979	827,569
311	Pumping Equipment	334,153	248,374	85,779
320	Water Treatment Equipment	13,967	7,307	6,660
330	Distribution Reservoirs & Standpipes	367,096	234,101	132,995
331	Transmission & Distrib. Mains	738,352	496,795	241,557
333	Services	79,571	56,472	23,099
334	Meters & Meter Installations	98,843	87,160	11,683
335	Hydrants	35,007	33,169	1,838
336	Backflow Prevention Devices			-
339	Other Plant & Misc Equipment			-
340	Office Furniture & Equipment	16,552	16,552	-
340.1	Computers & Software			-
341	Transportation Equipment	71,365	65,890	5,475
343	Tools, Shop & Garage Equip.	12,063	10,273	1,790
344	Laboratory Equipment			-
345	Power Operated Equipment	44,869	27,138	17,731
346	Communications Equipment			-
347	Miscellaneous Equipment			-
348	Other Tangible Plant	139,758	54,964	84,794
	TOTALS	\$ 3,569,876	\$ 1,892,392	\$ 1,677,484

Total Accumulated Depreciation amount goes on the Balance Sheet Acct. No. 108

Company Name: Valle Verde Water Company

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization	\$ -		\$ -
302	Franchises	125		-
303	Land & Land Rights	86,093	N/A	-
304	Structures & Improvements	506,514	3.33%	16,867
307	Wells & Springs	1,025,548	3.33%	27,291
311	Pumping Equipment	334,153	12.5000%	40,894
320	Water Treatment Equipment	13,967	3.33%	372
330	Distribution Reservoirs & Standpipes	367,096	2.2200%	10,385
331	Transmission & Distrib. Mains	738,352	2.0000%	14,682
333	Services	79,571	3.33%	2,624
334	Meters & Meter Installations	98,843	8.3300%	8,229
335	Hydrants	35,007	2.0000%	700
336	Backflow Prevention Devices	-	6.6700%	-
339	Other Plant & Misc Equipment	-	6.6700%	-
340	Office Furniture & Equipment	16,552	6.6700%	511
340.1	Computers & Software	-	33.3300%	-
341	Transportation Equipment	71,365	20.0000%	14,273
343	Tools, Shop & Garage Equip.	12,063	5.0000%	603
344	Laboratory Equipment	-	10.0000%	-
345	Power Operated Equipment	44,869	5.0000%	2,243
346	Communications Equipment	-	10.0000%	-
347	Miscellaneous Equipment	-	10.0000%	-
348	Other Tangible Plant	139,758	10.0000%	13,976
	TOTALS	\$ 3,569,876		\$ 153,650

Less: Amortization of CIAC **(54,179)**

Net Depreciation Expense **\$ 99,471**

Depreciation Expense amount goes on the Comparative Statement of Income and Expense
Acct. No. 403.

Company Name: Valle Verde Water Company

BALANCE SHEET

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131.1	Cash	\$ 6,204	\$ 14,188
131.2	Cash - Property Tax Set Aside		7,200
131.3	Cash - Surcharge Funds		2,427
131.4	Cash - WIFA Draw Account		19,501
131.5	Cash - WQARF Funding	133,359	815
141	Customer Accounts Receivable	87,063	29,455
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets		
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 226,626	\$ 73,586
	FIXED ASSETS		
101	Utility Plant in Service	\$ 3,133,188	\$ 3,569,876
103	Property Held for Future Use		
105	Construction Work In Progress	40,936	72,467
108	Accumulated Depreciation - Utility Plant	(1,743,208)	(1,892,392)
121	Non-Utility Property		
122	Accumulated Depreciation - Non Utility		
	TOTAL FIXED ASSETS	\$ 1,430,916	\$ 1,749,951
	TOTAL ASSETS	\$ 1,657,542	\$ 1,823,537

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

Company Name: Valle Verde Water Company

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITIES		
231	Accounts Payable	\$ 256,194	\$ 122,508
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies	18,642	
235	Customer Deposits	26,740	28,401
236	Accrued Taxes	9,703	6,306
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities	6,836	3,616
	TOTAL CURRENT LIABILITIES	\$ 318,115	\$ 160,831
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$ -	\$ 101,168
	DEFERRED CREDITS		
251	Unamortized Premium on Debt		
252	Advances in Aid of Construction	\$ 1,479,835	\$ 1,455,978
255	Accumulated Deferred Investment Tax Credits		
271	Gross Contributions in Aid of Construction	969,977	1,226,919
272	Less: Amortization of contributions	(109,261)	(163,440)
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$ 2,340,551	\$ 2,519,457
	TOTAL LIABILITIES	\$ 2,658,666	\$ 2,781,456
	CAPITAL ACCOUNTS		
201	Common Stock Issued		
211	Paid in Capital in Excess of Par Value		
215	Retained Earnings		
218	Proprietary Capital (Sole Props and Partnerships)	\$ (1,001,124)	\$ (957,919)
	TOTAL CAPITAL	\$ (1,001,124)	\$ (957,919)
	TOTAL LIABILITIES AND CAPITAL	\$ 1,657,542	\$ 1,823,537

Company Name: Valle Verde Water Company

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 401,713	\$ 489,676
462	Surcharge Revenue		55,534
474	Other Water Revenues	37,090	16,377
	TOTAL REVENUES	\$ 438,803	\$ 561,587
	OPERATING EXPENSES		
601	Salaries and Wages	\$ 90,680	\$ 92,507
610	Purchased Water		3,625
615	Purchased Power	45,783	55,530
618	Chemicals	35,506	2,926
620	Repairs and Maintenance	51,436	29,523
621	Office Supplies & Expense	19,924	22,270
630	Outside Services	123,623	123,194
635	Water Testing	20,269	12,189
641	Rents		-
650	Transportation Expenses	9,574	3,520
657	Insurance - General Liability	12,582	16,395
659	Insurance - Health and Life		-
665	Regulatory Expenses	32,746	-
675	Miscellaneous Expense	1,093	42,237
403	Depreciation Expense	90,683	99,471
408	Taxes Other Than Income	11,950	8,548
408.11	Property Taxes	17,676	14,942
409	Income Tax		-
427.4	Interest Expense-Customer Deposits		487
	TOTAL OPERATING EXPENSES	\$ 563,525	\$ 527,364
	OPERATING INCOME/(LOSS)	\$ (124,722)	\$ 34,223
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income		
421	Non-Utility Income		\$ 3,438
426	Miscellaneous Non-Utility Exp	\$ (1,154)	-
427	Interest Expense	(1,810)	(424)
	TOTAL OTHER INCOME/(EXPENSE)	\$ (2,964)	\$ 3,014
	NET INCOME/(LOSS)	\$ (127,686)	\$ 37,237

Company Name: Valle Verde Water Company

SUPPLEMENTAL FINANCIAL DATA
Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	6/24/2011			
Source of Loan	WIFA			
ACC Decision No.	71899			
Reason for Loan	System Improvements			
Dollar Amount Issued	\$ 1,278,238	\$ -	\$ -	\$ -
Amount Outstanding	\$ 101,168	\$ -	\$ -	\$ -
Date of Maturity	20 years			
Interest Rate	3.938%		%	%
Current Year Interest	\$ -	\$ -	\$ -	\$ -
Current Year Principal	\$ -	\$ -	\$ -	\$ -

Meter Deposit Balance at Test Year End \$ 5,342

Meter Deposits Refunded During the Test Year \$ 106

COMPANY NAME Valle Verde Water**Name of System:** East System**ADEQ Public Water System Number:** 12-009**WATER COMPANY PLANT DESCRIPTION****WELLS**

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-617053 (well #1)	Not in use		105	12	4	1954
55-617054 (well #2)	30	350	260	16	6	1972
55-617055 (well #3)	15	130	220	12	3	1971
55-513789 (well #4)	Not in use		203	12	3	1987
55-801847 (well #7)	Not in use		93	10	4	1933

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
City Of Nogales		17874

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
15	1	13	
7.5	1		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
n/a		7,000	1
		3,000	2/2 (well #3 & well #7)
		7,500	1
		10,000	1
		2,000	1
		200	1

Note: If you are filing for more than one system, please provide separate sheets for each system.

See Accountant's Compilation Report

COMPANY NAME Valle Verde Water**Name of System:** West System**ADEQ Public Water System Number:** 12-025**WATER COMPANY PLANT DESCRIPTION****WELLS**

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-500951 (well #5)	50	350	400	16	6	1982
55-502001 (well #6)	Not in use	Not in use	450	16	6	1982
55-582348 (well 10)	30	450	290	12	6	2001

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
N/A		

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
15/well #10	2	32	
30/well #10	3		
25/well #6 site	2		
50/well #6 site	1		
100/well #6 site	2		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
800,000/well #6 site	1	10,000/well #5 & 6	2
200,000/well #10	1	7,000	1

Note: If you are filing for more than one system, please provide separate sheets for each system.

See Accountant's Compilation Report

COMPANY NAME: Valle Verde Water Company		
Name of System: East System	ADEQ Public Water System Number: 12-009	

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2	PVC	4,361
3		
4	PVC	38,391
5		
6	PVC	4,117
8		
10		
12		
6	PVC	1,600
6	PVC	2,350
4	PVC	100
6	DIP	189

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	319
3/4	411
1	38
1 1/2	3
2	10
Comp. 3	5
Turbo 3	
Comp. 4	
Turbo 4	
Comp. 6	
Turbo 6	

For the following three items, list the utility owned assets in each category for each system.

TREATMENT EQUIPMENT: 2 Chlorinators, GAC System

STRUCTURES: Office 12'x12'
Chlorinator room 3x5
Well #1 bldg 24x24
House 32x76

OTHER:

Note: If you are filing for more than one system, please provide separate sheets for each system.

See Accountant's Compilation Report

COMPANY NAME: Valle Verde Water Company		
Name of System: West System	ADEQ Public Water System Number: 12-025	

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2		
3		
4	PVC	1,222
5		
6	PVC	2,913
8	PVC	10,372
10		
12	PVC	1,770
8	PVC	80 (2011)

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	69
3/4	5
1	9
1 1/2	
2	10
Comp. 3	2
Turbo 3	
Comp. 4	1
Turbo 4	
Comp. 6	
Turbo 6	

For the following three items, list the utility owned assets in each category for each system.

TREATMENT EQUIPMENT: 2 Chlorinators

STRUCTURES:

OTHER:

Note: If you are filing for more than one system, please provide separate sheets for each system.

See Accountant's Compilation Report

COMPANY NAME: <u>Valle Verde Water Company</u>	
Name of System: <u>East System</u>	ADEQ Public Water System Number: <u>12-009</u>

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2011

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	691	4697	4686	0
FEBRUARY	691	4329	5437	0
MARCH	686	3840	5360	0
APRIL	685	4849	6037	0
MAY	599	4351	5787	0
JUNE	603	4546	6374	1431
JULY	607	6760	5503	0
AUGUST	616	4626	8129	0
SEPTEMBER	629	4707	4375	0
OCTOBER	633	4572	5849	0
NOVEMBER	639	3840	5306	0
DECEMBER	649	4542	5768	356
TOTALS →		55659	68611	0

What is the level of arsenic for each well on your system? 0.009 & 0.003 mg/l
(If more than one well, please list each separately.)

If system has fire hydrants, what is the fire flow requirement? N/A GPM for ____ hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?
 (X) Yes () No

Is the Water Utility located in an ADWR Active Management Area (AMA)?
 (X) Yes () No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?
 (X) Yes () No

If yes, provide the GPCPD amount: 121

Note: If you are filing for more than one system, please provide separate data sheets for each system. See Accountant's Compilation Report

COMPANY NAME: <u>Valle Verde Water Company</u>	
Name of System: <u>West System</u>	ADEQ Public Water System Number: <u>12-025</u>

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2011

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	93	2820	3298	0
FEBRUARY	92	2441	317	0
MARCH	92	1333	229	0
APRIL	85	1935	Meter Malfunction	0
MAY	86	2129	3928	0
JUNE	86	2900	440	0
JULY	87	3981	656	0
AUGUST	87	3283	612	0
SEPTEMBER	87	2516	360	0
OCTOBER	87	2858	375	0
NOVEMBER	87	2580	328	0
DECEMBER	88	1992	233	0
TOTALS →		30768	10776	0

What is the level of arsenic for each well on your system? 0.008, 0.013, 0.003 mg/l
(If more than one well, please list each separately.)

If system has fire hydrants, what is the fire flow requirement? N/A GPM for hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?
(X) Yes () No

Is the Water Utility located in an ADWR Active Management Area (AMA)?
(X) Yes () No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?
(X) Yes () No

If yes, provide the GPCPD amount: 121

Note: If you are filing for more than one system, please provide separate data sheets for each system. See Accountant's Compilation Report

COMPANY NAME: <u>Valle Verde Water Company</u>	
Name of System: East System	ADEQ Public Water System Number: 12-009

UTILITY SHUTOFFS / DISCONNECTS

MONTH	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	OTHER
JANUARY		13	
FEBRUARY		27	
MARCH		9	
APRIL		0	
MAY		24	
JUNE		25	
JULY		25	
AUGUST		21	
SEPTEMBER		16	
OCTOBER		33	
NOVEMBER		44	
DECEMBER		28	
TOTALS →	0	265	

OTHER (description):

See Accountant's Compilation Report

COMPANY NAME: <u>Valle Verde Water Company</u>	
Name of System: <u>West System</u>	ADEQ Public Water System Number: <u>12-025</u>

UTILITY SHUTOFFS / DISCONNECTS

MONTH	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	OTHER
JANUARY		0	
FEBRUARY		0	
MARCH		4	
APRIL		0	
MAY		2	
JUNE		4	
JULY		0	
AUGUST		0	
SEPTEMBER		0	
OCTOBER		1	
NOVEMBER		4	
DECEMBER		2	
TOTALS →	0	17	

OTHER (description):

See Accountant's Compilation Report

COMPANY NAME Valle Verde Water Company **YEAR ENDING 12/31/2011**

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2011 was: \$ 14,942

Attach to this annual report proof (e.g. property tax bills stamped “paid in full” or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

ATTACHMENT 4

Southwestern Utility Management, Inc.
P.O. Box 85160
Tucson, Arizona 85754

Invoice

Date	Invoice #
1/9/2012	4605

Bill To
Valle Verde Water Company 12 Garden View Ct. Nogales, AZ 85621

Telephone # 520-623-5172
Fax #520-792-0377

Terms
Net 30 Days

Due Date
2/8/2012

Item	Description	Qty	Rate	Amount
11.25 per Meter	11.25 per Meter December Services	876	11.25	9,855.00
			Total	\$9,855.00

Southwestern Utility Management, Inc.
P.O. Box 85160
Tucson, Arizona 85754

Invoice

Date	Invoice #
2/7/2012	4706

Bill To
Valle Verde Water Company 12 Garden View Ct. Nogales, AZ 85621

Telephone # 520-623-5172
Fax #520-792-0377

Terms
Net 30 Days

Due Date
3/8/2012

Item	Description	Qty	Rate	Amount
11.25 per Meter	11.25 per Meter January Services	876	11.25	9,855.00
			Total	\$9,855.00

Southwestern Utility Management, Inc.
P.O. Box 85160
Tucson, Arizona 85754

Invoice

Date	Invoice #
3/9/2012	4752

Bill To
Valle Verde Water Company 12 Garden View Ct. Nogales, AZ 85621

Telephone # 520-623-5172
Fax #520-792-0377

Terms
Net 30 Days

Due Date
4/8/2012

Item	Description	Qty	Rate	Amount
11.25 per Meter	11.25 per Meter February Services	876	11.25	9,855.00
			Total	\$9,855.00

Southwestern Utility Management, Inc.
P.O. Box 85160
Tucson, Arizona 85754

Invoice

Date	Invoice #
4/7/2012	4800

Bill To
Valle Verde Water Company 12 Garden View Ct. Nogales, AZ 85621

Telephone # 520-623-5172
Fax #520-792-0377

Terms
Net 30 Days

Due Date
5/7/2012

Item	Description	Qty	Rate	Amount
11.25 per Meter	11.25 per Meter March Services	876	11.25	9,855.00
			Total	\$9,855.00

Southwestern Utility Management, Inc.
P.O. Box 85160
Tucson, Arizona 85754

Invoice

Date	Invoice #
5/9/2012	4849

Bill To
Valle Verde Water Company 12 Garden View Ct. Nogales, AZ. 85621

Telephone # 520-623-5172
Fax #520-792-0377

Terms

Net 30 Days

Due Date

6/8/2012

Item	Description	Qty	Rate	Amount
11.25 per Meter	11.25 per Meter April Services	876	11.25	9,855.00
			Total	\$9,855.00

Southwestern Utility Management, Inc.
P.O. Box 85160
Tucson, Arizona 85754

Invoice

Date	Invoice #
6/6/2012	4892

Bill To
Valle Verde Water Company 12 Garden View Ct. Nogales, AZ 85621

Telephone # 520-623-5172
Fax #520-792-0377

Terms

Net 30 Days

Due Date

7/6/2012

Item	Description	Qty	Rate	Amount
11.25 per Meter	11.25 per Meter May Services	876	11.25	9,855.00
			Total	\$9,855.00

Southwestern Utility Management, Inc.
P.O. Box 85160
Tucson, Arizona 85754

Invoice

Date	Invoice #
7/9/2012	4934

Bill To
Valle Verde Water Company 12 Garden View Ct. Nogales, AZ 85621

Telephone # 520-623-5172
Fax #520-792-0377

Terms
Net 30 Days

Due Date
8/8/2012

Item	Description	Qty	Rate	Amount
11.25 per Meter	11.25 per Meter June Services	876	11.25	9,855.00
			Total	\$9,855.00

Southwestern Utility Management, Inc.
P.O. Box 85160
Tucson, Arizona 85754

Invoice

Date	Invoice #
8/1/2012	4958

Bill To
Valle Verde Water Company 12 Garden View Ct. Nogales, AZ 85621

Telephone # 520-623-5172
Fax #520-792-0377

Terms
Net 30 Days

Due Date
8/31/2012

Item	Description	Qty	Rate	Amount
11.25 per Meter	11.25 per Meter July Services	876	11.25	9,855.00
			Total	\$9,855.00